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JAPAN FACT SHEET

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JAPAN FACT SHEET

Japan has been the U.S. farmer's top dollar customer abroad since 1961. Agricultural imports from the United States, on a c.i.f. basis, passed the billion dollar mark in 1966—and are still on the rise.

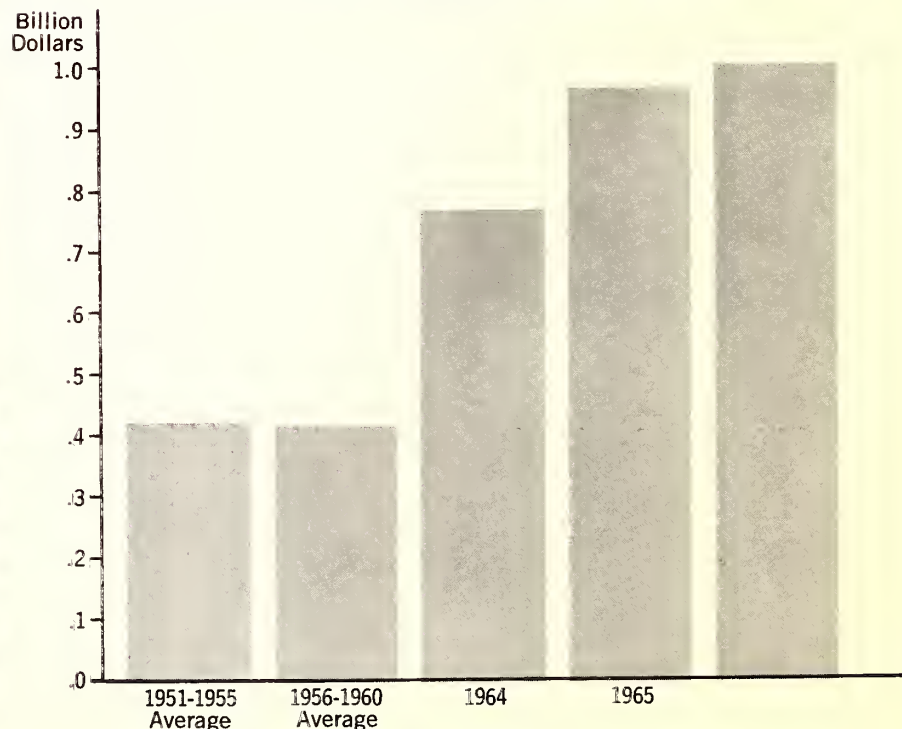
Here are some facts about Japan's economy and trade patterns:

The Japanese economy has grown at an average rate of about 10 percent annually since 1952—making it one of the fastest expanding economies in the world.

A top manufacturing nation, Japan leads the world in shipbuilding and is second in the production of autos (including trucks and buses). It is also a major producer of iron and steel products, transportation equipment, machinery, electronics equipment, precision instruments, chemicals, fertilizers, and textiles.

Limited land resources have hampered the expansion of food production. Agricultural output is therefore not sufficient to meet the needs

VALUE OF JAPAN'S FARM IMPORTS FROM THE U.S.



of Japanese consumers or satisfy the demands of Japan's predominantly urban population.

Population has been growing at about 1 percent—or 1 million persons—annually since 1956. This larger population is eating better—2,424 calories per capita in 1965, compared with 2,124 calories in 1955—and expecting higher quality, more nutritious foods.

The traditional rice-fish diet of Japanese is on the wane. Many younger Japanese prefer meat to fish. From 1967 through 1976, the demand for meat, milk, eggs, bread, and fresh green vegetables is expected to rise 50 to 200 percent. Rice consumption is expected to increase only slightly.

Japan relies on exports (primarily of manufactured goods) to finance its imports of food and other farm products. Between 1960 and 1966, the value of merchandise exports has more than doubled, rising from \$4.1 billion to \$9.8 billion. Agricultural imports have climbed from \$1.8 billion to \$3.2 billion during the period.

In 1966, the United States imported nearly \$2.9 billion worth of Japanese products. Our exports to Japan that year totaled close to \$2.3 billion, over two-fifths of which were agricultural products.

The U.S. share of the Japanese farm import market has averaged about one-third in most recent years. During the 1950's, 16 commodities accounted for approximately 90 percent of the total value of Japan's farm imports. The United States in most of these years was the top supplier of eight: nonfat dry milk, wheat, corn, tobacco, hides and skins, soybeans, cotton, and tallow. Since 1960 Japan's imports have become more diversified and the United States is now an important supplier of other commodities such as grain sorghum, rice, alfalfa meal, barley, safflower seed, fresh lemons, almonds, and raisins.

Japan is the top dollar market abroad for many U.S. farm commodities. In 1966, the country took more than one-fourth of our exports of soybeans, cotton, grain sorghum, cattle

U.S. POSITION IN THE JAPANESE MARKET DURING 1966

| Commodity | Value of imports from the U.S. | U.S. position as supplier | U.S. share of total Japanese imports |
|-----------------|--------------------------------|---------------------------|--------------------------------------|
| | Million dollars | Rank | Percent |
| Soybeans | 222 | 1 | 82 |
| Corn | 153 | 1 | 63 |
| Wheat | 149 | 1 | 53 |
| Grain sorghums | 118 | 1 | 89 |
| Cotton | 110 | 2 | 27 |
| Hides and skins | 56 | 1 | 57 |
| Tobacco | 46 | 1 | 74 |
| Tallow, beef | 40 | 1 | 87 |
| Rice | 25 | 3 | 19 |
| Alfalfa meal | 18 | 1 | 100 |
| Barley | 18 | 1 | 58 |
| Lemons | 9 | 1 | 100 |
| Raisins | 5 | 1 | 81 |



hides, and raisins; more than a fifth of our exports of inedible tallow, nonfat dry milk, and fresh lemons. Japan also was our biggest cash customer abroad for baby chicks, sweet shelled almonds, vegetable oil extracts, and natural orange oils.

Nearly every product the United States sells to Japan is at least partly available from another source. The United States faces increasing competition from Canada, Australia, and Argentina in supplying the Japanese wheat market. Mexico, El Salvador, India, and the Soviet Union are keen competitors in cotton. Larger shipments of nonfat dry milk are coming in from New Zealand, Australia, Canada, and some Common Market countries. Thailand, Australia, and Indonesia have the potential to supply large quantities of feed grains.

All imports by Japan require import licenses approved by the Ministry of International Trade and Finance—but import controls are not highly restrictive for most unprocessed agricultural

items. Duties are generally low-to-moderate ad valorem rates based on c.i.f. (cost, insurance, and freight) value in Japan. Import quotas are in effect on some items. Examples are dairy products, cattle and hogs, some citrus fruits, and a large number of processed food products. Government agencies also control imports of tobacco and rice.

To keep and expand its position in the Japanese import market, the United States carries on a variety of market development programs. The latest of these, *American Festival—Food, Fun, and Fashion*, will take place April 5–21. A “solo” U.S. show of food and agricultural products, the exhibition is aimed at making friends with Japanese trade representatives and the public, as well as stimulating sales and promoting future business.

Adding timeliness to the spring event is the fact that 1968 marks Japan’s Meiji Centennial, honoring the regime that opened the country to modernization and trade with the West.



PROJECTIONS OF JAPAN'S AGRICULTURAL REQUIREMENTS, PRODUCTION, AND IMPORT NEEDS IN 1976 ¹

| Commodity | Domestic | | Import requirements |
|---------------------------------|-------------------|------------|---------------------|
| | Demand | Production | |
| | 1,000 metric tons | | 1,000 metric tons |
| Concentrated feeds ² | 18,290 | 5,234 | 13,056 |
| Wheat | 6,417 | 865 | 5,814 |
| Soybeans | 3,799 | 147 | 3,652 |
| Fruits | 11,123 | 8,663 | 2,460 |
| Barley | 2,599 | 943 | 1,656 |
| Milk | 10,630 | 9,029 | 1,601 |
| Meat | 2,318 | 1,842 | 476 |
| Rice | 14,384 | 13,952 | 432 |
| Eggs | 1,548 | 1,496 | 52 |

¹ Assuming an 8-percent rise in per capita expenditures. ² Largely corn and grain sorghum.

